

2001 DRAFTING REQUEST**Senate Amendment (SA-SB55)**Received: **05/17/2001**Received By: **traderc**Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**By/Representing: **Bonderud**This file may be shown to any legislator: **NO**Drafter: **traderc**

May Contact:

Addl. Drafters:

Subject: **Environment - water quality**

Extra Copies:

Submit via email: **NO**

Requester's email:

Pre Topic:

LFB:.....Bonderud -

Topic:

Clean water fund federal hardship assistance

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	traderc 05/17/2001	gilfokm 05/17/2001		_____			
/1			jfrantze 05/18/2001	_____	lrb_docadmin 05/18/2001		

FE Sent For:

05/17/2001 09:28:12 AM

Page 1

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1?	traderc	1-5/Kmg 1/17-01	205/17	26/Kg 5/18			

FE Sent For:

<END>

Tradewell, Becky

From: Bonderud, Kendra
Sent: Wednesday, May 16, 2001 5:54 PM
To: Tradewell, Becky
Subject: JFC EIF amendment

Today, when JFC took actions related to DNR - Water Quality, it passed a motion related to the clean water fund federal rural hardship grant program. I will fax you motion #298 that was passed by JFC. For your background information, I will also fax to you a writeup that was done by DNR so you can see what they were up to (you might or might not find this helpful).

Please draft this as a JFC budget amendment. Thanks.

Kendra Bonderud
Legislative Fiscal Bureau
(608) 266-3847
Kendra.Bonderud@legis.state.wi.us

5/16/01
JFC Approved
Senator Plache
Representative Albers 16-0

ENVIRONMENTAL IMPROVEMENT FUND

Federal Rural Communities Hardship Grant Program

MO#		
Burke	X	N
Decker	X	N
Moore	X	N
Shiblski	X	N
Plache	X	N
Witch	X	N
Darling	X	N
Welch	X	N
Gard	X	N
Kaufert	X	N
Albers	X	N
Duff	X	N
Ward	X	N
Huebsch	X	N
Huber	X	N
Coggs	X	N

Motion:

Move to modify the federal rural communities hardship grant program that is part of the clean water fund program as follows:

1. Delete the current eligibility criterion that requires that on the date the municipality applies for assistance, the unemployment rate for the county in which the municipality is located exceeds by 1% or more the average yearly national unemployment rate most recently reported by the federal Bureau of Labor Statistics.
2. Specify that if federal financial hardship assistance is not fully allocated at the time the clean water fund financial hardship assistance funding list is published, DNR may accept an application for federal hardship assistance after June 30.

Note:

The clean water fund program within the environmental improvement fund includes a financial hardship component for communities that have relatively low median household income and relatively high annual residential wastewater user charges. In March, 1999, DNR received a grant of \$1,300,000 under the federal rural communities hardship grant program. DNR would provide the required state match of \$67,800 for wastewater treatment projects under the program by reallocating existing general obligation bonding authority.

Municipalities are eligible for federal assistance for project costs that are eligible for assistance under the current state hardship program if the municipality meets all of the following criteria: (a) the population of the municipality is 3,000 or less; (b) the municipality is a rural

community, as determined by DNR; (c) the municipality lacks centralized wastewater treatment or collection systems or needs improvements to onsite wastewater treatment systems and federal financial hardship assistance will improve public health or reduce an environmental risk; (d) the per capita annual income of residents to be served by the project does not exceed 80% of the national per capita annual income, based on the most recent data available from the U.S. Census Bureau; and (e) on the date that the municipality applies for assistance, the unemployment rate for the county in which the municipality is located exceeds by 1% or more the average yearly national unemployment rate most recently reported by the federal Bureau of Labor Statistics.

DNR is authorized to include eligible applicants under the federal financial hardship assistance program on the same funding list that ranks applicants under the state hardship program. The application deadline for the state and federal financial hardship assistance programs is June 30 of the preceding fiscal year.

The U.S. EPA deadline for making binding commitments of grant funds under the program is June 30, 2001. (EPA extended the deadline from March 30, 2000.) DNR has identified one potential project under the current criteria, and has identified several municipalities that would qualify if the unemployment criterion would be removed. DNR indicates that the Department will probably request EPA approval of an extension of the deadline to make binding commitments of grant funds under the program to June 30, 2002. DNR also indicates that EPA might be willing to waive the unemployment criterion for Wisconsin because of the state's low unemployment rates.

The motion would delete the unemployment criterion from the statutory eligibility requirements for federal rural hardship grant assistance. It would also allow applicants to submit an application after June 30 if federal financial hardship assistance is not fully allocated at the time the clean water fund financial hardship assistance funding list is published.

Prepared by DNR

We request to make changes to s. 281.58(13) of the Wisconsin Statutes.

Reason: The Clean Water Fund Program will most likely capture an additional \$1.3 million of federal funds through the Federal Hardship Rural Grants Program if the statute is changed.

CHANGES NEEDED

1) Repeal s. 281.58(13)(be)5.

Current language:

5. On the date that the municipality applies for assistance, the unemployment rate for the county in which the municipality is located exceeds by 1% or more the average yearly national unemployment rate most recently reported by the federal bureau of labor statistics.

This language was originally put in the statute to reflect EPA's eligibility requirements for the program. Because Wisconsin has a low unemployment rate, the unemployment criterion set by EPA for this program has made it impossible for the CWFP to find a candidate to use the Federal Hardship Grant monies. The EPA recently agreed to waive the unemployment criterion for Wisconsin municipalities. The CWFP will have a much greater chance of finding a municipality that meets the criteria and has a project ready to go if we can eliminate the unemployment criterion. In the past two years, only 12 counties met the unemployment criterion, and this year, we only have one eligible municipality with a very small project that is located in one of those counties.

2) Revise s. 281.58(13)(d).

Current language:

d) The department shall establish a financial hardship assistance funding list for each fiscal year that ranks projects of municipalities that are eligible under par. (b) or (be), and that submit complete financial assistance applications under sub. (9)(a) no later than June 30 of the preceding fiscal year, in the same order that they appear on the priority list under sub. (8e).

The CWFP applications for all FY 2002 hardship financial assistance are due on June 30, 2001. There is no time between the budget and the publishing of the hardship assistance funding list for a municipality to decide to apply and prepare documents, etc. for application. Allowing the CWFP to accept applications for federal hardship assistance after the June 30 deadline will increase our chances of capturing the additional \$1.3 million of federal funds.

Suggested language:

(d) The department shall establish a financial hardship assistance funding list for each fiscal year that ranks projects of municipalities that are eligible under par. (b) or (be), and that submit complete financial assistance applications under sub. (9)(a) no later than June 30 of the preceding fiscal year, in the same order that they appear on the priority list under sub. (8e). If federal financial hardship assistance is not fully allocated at the time the financial hardship assistance funding list is published, the department may accept an application for federal hardship assistance after June 30.

2001

Date (time)
needed

5:00 PM

LRB b 0279, 11

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

RET: King

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**LFB AMENDMENT
TO 2001 ASSEMBLY BILL 144 AND 2001 SENATE BILL 55**

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

✓ #. Page 1448, line 6...: after that line insert:

¶ "Section 3164^j; RP; 281.58^{be}(13) (be) 5.

#. Page ..., line ...:

¶ Section 3164^{em} CR; 281.58^{em}(13) (em) 3.

#. Page ..., line ...: ¶ 281.58(13)(em) 3. In a fiscal year,

if Federal financial hardship assistance has been

#. Page ..., line ...: allocated to all eligible projects^{cts} on the

funding list and Federal financial hardship assistance

#. Page ..., line ...: remains to be allocated, the department

may allocate Federal financial hardship assistance to a

#. Page ..., line ...: project of an eligible municipality that

submits its financial assistance application after June 30."

(End)

TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

10 (END)